



24 December 2024

To the Shareholders,

Dear Sir or Madam

**VOLUNTARY CONDITIONAL GENERAL CASH OFFER
BY CHINA INTERNATIONAL CAPITAL CORPORATION
HONG KONG SECURITIES LIMITED AND
CCB INTERNATIONAL CAPITAL LIMITED
ON BEHALF OF
JINGFENG HOLDING LIMITED
TO ACQUIRE ALL THE ISSUED SHARES
IN GREATVIEW ASEPTIC PACKAGING COMPANY LIMITED
(OTHER THAN THOSE ALREADY HELD OR AGREED TO BE
ACQUIRED BY JINGFENG HOLDING LIMITED AND THE
OFFEROR CONCERT PARTIES)**

INTRODUCTION

Reference is made to the Announcement, pursuant to which it was announced on 9 May 2024 that the Financial Advisers will, on behalf of the Offeror, and subject to the satisfaction or (if capable of being waived) waiver of the Pre-Conditions, make a voluntary conditional general cash offer in compliance with the Takeovers Code to acquire all the issued Shares (other than those already held or agreed to be acquired by the Offeror or the Offeror Concert Parties) at the Offer Price of HK\$2.65 per Offer Share.

On 20 December 2024, the Offeror announced that the Pre-Conditions had been satisfied.

The Offer is subject to the satisfaction or (if capable of being waived) waiver of the Conditions as set out in the paragraph headed “Conditions to the Offer” in this section.

This letter forms part of this Offer Document and sets out, among other things, details of the Offer, the reasons for making the Offer, the intentions of the Offeror in respect of the Group and certain background information of the Offeror. Further details on the terms and conditions of the Offer are set out in sections headed “Letter from the Financial Advisers” and Appendix I to this Offer Document and the accompanying Form of Acceptance. Terms used in this letter shall have the same meanings as those defined in the section headed “Definitions” in this Offer Document.

THE OFFER

Principal terms of the Offer

The Offer

The Financial Advisers, for and on behalf of the Offeror and in compliance with the Takeovers Code, are making the Offer to acquire all the Offer Shares on the following terms:

For each Offer Share HK\$2.65 in cash

The Offer Price will not be increased except that the Offeror reserves the right to increase the Offer Price where a competitive situation arises.

Save for the 2023 Final Dividend and the 2023 Special Dividend, if any dividend, distribution or return of capital (whether in cash or in kind) is announced, declared, made or paid in respect of the Shares after the date of the Announcement, the Offeror reserves the right to reduce the Offer Price by all or any part of the gross amount or value of such dividend, distribution or return of capital, in which case any reference to the Offer Price in the Announcement, this Offer Document and/or any other announcement or document in relation to the Offer shall be deemed to be a reference to the Offer Price so reduced. As at the Latest Practicable Date, based on public information available to the Offeror, the Company does not have outstanding dividends which have been declared but not yet paid.

Further details of the procedures for the acceptance of the Offer are set out in Appendix I to this Offer Document and the accompanying Form of Acceptance.

The Offer will be made in compliance with the Takeovers Code. Shares to be acquired under the Offer shall be fully paid and shall be acquired free from any lien, mortgage, charge, encumbrance, pre-emptive right and any other third party rights of any nature or any agreement for any of the same, and together with all rights attaching to them as at the Closing Date or subsequently becoming attached to them (including the right to receive all dividends, distributions and return of capital, if any, the record date of which falls on or after the Closing Date). For the avoidance of doubt, if any dividend, distribution or return of capital with a record date falling on or after the Closing Date (other than the 2023 Final Dividend and the 2023 Special Dividend) has been paid to the Shareholders in respect of any Offer Shares validly tendered for acceptance under the Offer, the Offeror shall be entitled to deduct the gross amount or value of such dividend, distribution or return of capital from the Offer Price payable to such Shareholders in respect of the Offer Shares validly tendered for acceptance so as to reflect the Offeror's entitlement to such dividend, distribution or return of capital.

COMPARISON OF VALUE

The Offer Price of HK\$2.65 per Offer Share represents:

- (i) a premium of approximately 26.19% over the closing price of HK\$2.10 per Share as quoted on the Stock Exchange on the Last Trading Day (*Note*);
- (ii) a premium of approximately 25.00% over the average closing price of HK\$2.12 per Share as quoted on the Stock Exchange for the 30 trading days immediately prior to and including the Last Trading Day (*Note*);
- (iii) a premium of approximately 31.84% over the average closing price of HK\$2.01 per Share as quoted on the Stock Exchange for the 60 trading days immediately prior to and including the Last Trading Day (*Note*);
- (iv) a premium of approximately 42.47% over the average closing price of HK\$1.86 per Share as quoted on the Stock Exchange for the 120 trading days immediately prior to and including the Last Trading Day (*Note*);
- (v) a premium of approximately 63.58% over the issue price of HK\$1.62 per Share for the issue of new Shares under specific mandate as announced by the Company on 30 November 2023;
- (vi) a premium of approximately 2.32% over the closing price of HK\$2.59 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (vii) a premium of approximately 16.23% over the audited consolidated net asset value per Share as at 31 December 2023 of approximately HK\$2.28 (calculated based on the audited consolidated net assets of the Company as at 31 December 2023 of RMB2,901,495 thousand, the exchange rate of RMB1 to HK\$1.1035 (being the central parity rate as at 29 December 2023 (being the last Business Day prior to 31 December 2023) published by the People's Bank of China on its website) and 1,407,129,000 Shares in issue as at the Latest Practicable Date based on public information available to the Offeror); and
- (viii) a premium of approximately 8.16% over the unaudited consolidated net asset value per Share as at 30 June 2024 of approximately HK\$2.45 (calculated based on the unaudited consolidated net assets of the Company as at 30 June 2024 of RMB3,143,949 thousand, the exchange rate of RMB1 to HK\$1.0957 (being the central parity rate as at 28 June 2024 (being the last Business Day prior to 30 June 2024) published by the People's Bank of China on its website) and 1,407,129,000 Shares in issue as at the Latest Practicable Date based on public information available to the Offeror.

Note: the closing prices of the Shares as disclosed above are on a cum-dividend basis. Shares are traded on ex-dividend basis since 3 July 2024 as a result of the payment of the 2023 Final

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Dividend and 2023 Special Dividend based on publicly available information.

For the basis of determination of the Offer Price by the Offeror, please refer to Appendix II to this Offer Document.

HIGHEST AND LOWEST SHARE PRICE

The highest and lowest closing prices of each Share as quoted on the Stock Exchange during the Relevant Period were HK\$2.59 on 20 December 2024 and HK\$1.50 on 8 December 2023 and 13 December 2023 (*Note*).

Note: Shares are traded on ex-dividend basis since 3 July 2024 as a result of the payment of the 2023 Final Dividend and 2023 Special Dividend based on publicly available information.

VALUE OF THE OFFER AND CONFIRMATION OF FINANCIAL RESOURCES

As at the Latest Practicable Date, the Company had 1,407,129,000 Shares in issue based on public information available to the Offeror, of which 377,132,584 Shares are owned by the Offeror and the Offeror Concert Parties (representing approximately 26.80% of the issued Shares of the Company as at the Latest Practicable Date). Based on public information available to the Offeror, the Company has no outstanding options, warrants, derivatives or securities that carry a right to subscribe for or which are convertible into Shares as at the Latest Practicable Date.

As at the Latest Practicable Date, save for the 377,132,584 Shares owned by the Offeror (representing approximately 26.80% of the issued Shares as at the Latest Practicable Date based on public information available to the Offeror), the Offeror and the Offeror Concert Parties did not own or have control or directions in any Shares or rights over any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of the Shares.

On the basis of the Offer Price of HK\$2.65 per Share and 1,407,129,000 Shares in issue as at the Latest Practicable Date, the entire issued Shares of the Company is valued at HK\$3,728.89 million.

Assuming no new Shares were issued after the Latest Practicable Date, on the basis of the Offer Price of HK\$2.65 per Share and 1,029,996,416 Offer Shares, the maximum consideration payable to the Shareholders under the Offer is approximately HK\$2,729.49 million.

The Offeror intends to finance the cash required for the Offer with the Offer Facility which will be secured by, among others, the Share Charges. The Offeror has also agreed, subject to and after the Company becoming wholly-owned by the Offeror and/or the Offeror Concert Parties, to create security over shares in certain subsidiaries of the Company. Save for such security package which would only be created subject to and after the Company becoming wholly-owned by the Offeror and/or the Offeror Concert Parties, the Offeror does not intend that the payment of interest on or repayment of or security for the Offer Facility will depend to any significant extent on the business of the Group.

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The Financial Advisers are satisfied that sufficient financial resources are available to the Offeror for satisfying in full its payment obligations in respect of the cash consideration payable under the Offer in accordance with its terms.

PRE-CONDITIONS TO THE OFFER

The making of the Offer was subject to the satisfaction or (if capable of being waived) waiver of the Pre-Conditions, details of which are as set out in the Announcement. On 20 December 2024, the Offeror announced that all the Pre-Conditions have been satisfied.

CONDITIONS TO THE OFFER

The Offer is subject to the satisfaction or (if capable of being waived) waiver of the following conditions:

- (i) valid acceptances of the Offer having been received (and not, where permitted, withdrawn) by 4: 00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of such number of Shares which, together with any Shares acquired or agreed to be acquired prior to or during the offer period for the Offer (whether pursuant to the Offer or otherwise), will result in the Offeror and the Offeror Concert Parties holding in aggregate more than 50% of the voting rights in the Company;
- (ii) the Shares remaining listed and traded on the Stock Exchange up to the Closing Date (or, if earlier, the Unconditional Date) save for any temporary suspension(s) or halt(s) of trading in the Shares and no indication being received on or before the Closing Date (or, if earlier, the Unconditional Date) from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn, other than as a result of either the Offer or anything done or caused by or on behalf of Offeror or the Offeror Concert Parties;
- (iii) all necessary Consents in connection with the Offer and (in the event that the Offeror were to exercise the Compulsory Acquisition Right) the withdrawal of the listing of the Shares from the Stock Exchange having been obtained and remaining in full force and effect;
- (iv) no event having occurred which would make the Offer and/or (in the event that the Offeror were to exercise the Compulsory Acquisition Right) the withdrawal of listing of the Shares void, unenforceable, illegal or impracticable or would prohibit implementation of the Offer or would impose any additional material conditions or obligations with respect to the Offer or any part thereof;
- (v) no Relevant Authority(ies) in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry, or enacted or made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make

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the Offer and/or (in the event that the Offeror were to exercise the Compulsory Acquisition Right) the withdrawal of listing of the Shares void, unenforceable, illegal or impracticable or would prohibit the implementation of, or that would impose any material conditions or obligations with respect to, the Offer (other than such orders or decisions as would not have a material adverse effect on the legal ability of the Offeror to proceed with or consummate the Offer); and

(vi) since 31 December 2023, there having been no material adverse change in the business, assets, financial or trading positions or prospects or conditions (whether operational, legal or otherwise) of the Group to an extent which is material in the context of the Group taken as a whole.

Condition (i) above cannot be waived. The Offeror reserves the right to waive, in whole or in part, all or any of the Conditions (other than Condition (i)) above. If any of the Conditions is not satisfied or (if capable of being waived) waived on or before the Conditions Long Stop Date, the Offer will lapse.

Based on the information available to the Offeror (including public information in relation to the Group), as at the Latest Practicable Date, in respect of Condition (iii), other than the requisite approvals as set out in the Pre-Conditions and (in the event that the Offeror were to exercise the Compulsory Acquisition Right) the approval by the Stock Exchange for the withdrawal of listing of the Shares from the Stock Exchange, the Offeror is not aware of any Consents required in connection with the Offer and/or (in the event the Offeror were to exercise the Compulsory Acquisition Right) the withdrawal of the listing of the Shares from the Stock Exchange.

Based on the information available to the Offeror (including public information in relation to the Group), as at the Latest Practicable Date, the Offeror is not aware of any circumstances which may result in Conditions (iv) and (v) not being satisfied.

As at the Latest Practicable Date, none of the Conditions have been satisfied or (if capable of being waived) waived. Further announcement(s) will be made as and when appropriate in respect of the satisfaction or (if capable of being waived) waiver of the Conditions.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions so as not to proceed with the Offer if the circumstances which give rise to the right to invoke any such Condition are of material significance to the Offeror in the context of the Offer.

In accordance with Rule 15.3 of the Takeovers Code, the Offeror will publish an announcement when the Offer becomes unconditional as to acceptances and when the Offer become unconditional in all respects.

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CLOSE OF THE OFFER

In accordance with Rule 15.1 of the Takeovers Code, the First Closing Date of the Offer will be on Tuesday, 21 January 2025, being 28 days after the Despatch Date, or such later date as may be determined and announced by the Offeror in accordance with the Takeovers Code. Where the Offer becomes or is unconditional (whether as to acceptances or in all respects), they should remain open for acceptance for not less than 14 days thereafter. The Shareholders are reminded that the Offeror does not have any obligation to keep the Offer open for acceptance beyond this minimum 14-day period.

In accordance with the Takeovers Code, except with the consent of the Executive, the Offer may not become or be declared unconditional as to acceptances after 7: 00 p.m. on the 60th day after the Despatch Date (or such later day as permitted by the Executive in accordance with the Takeovers Code). Accordingly, unless the Offer has previously become or been declared unconditional as to acceptances or has been extended with the consent of the Executive, the Offer will lapse at 7: 00 p.m. on Monday, 24 February 2025 (or such later day as permitted by the Executive in accordance with the Takeovers Code).

ACCEPTANCE OF THE OFFER

Subject to the Offer becoming unconditional, provided that valid acceptance forms and the relevant Share certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order and have been received by the Receiving Agent, the Shareholders will sell their tendered Shares to the Offeror free from all liens, mortgage, charges, encumbrances, pre-emptive rights and any other third party rights of any nature or any agreement for any of the same, and together with all rights attaching to them as at the Closing Date or subsequently becoming attached to them (including the right to receive all dividends, distributions and return of capital, if any, the record date of which falls on or after the Closing Date).

For the avoidance of doubt, if any dividend, distribution or return of capital with a record date falling on or after the Closing Date (other than the 2023 Final Dividend and the 2023 Special Dividend) has been paid to the Shareholders in respect of any Offer Shares validly tendered for acceptance under the Offer, the Offeror shall be entitled to deduct the gross amount or value of such dividend, distribution or return of capital from the Offer Price payable to such Shareholders in respect of the Offer Shares validly tendered for acceptance so as to reflect the Offeror's entitlement to such dividend, distribution or return of capital.

For further details on the procedures for acceptance of the Offer, please refer to the paragraph headed "Procedures for Acceptance of the Offer" in Appendix I to this Offer Document.

HONG KONG STAMP DUTY AND TAX IMPLICATIONS

Your attention is drawn to the paragraph headed "Hong Kong Stamp Duty" in Appendix I to this Offer Document.

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The Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer as applicable. It is emphasised that none of the Offeror, the Offeror Concert Parties, the Financial Advisers, the Receiving Agent, their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

SETTLEMENT OF CONSIDERATION

Settlement of the consideration under the Offer will be made as soon as possible, but in any event no later than seven (7) Business Days after the later of (i) the date on which the duly completed Form of Acceptance and the relevant documents of title of the Offer Shares are received by the Receiving Agent to render each of such acceptance of the offer complete and valid in accordance with the Takeovers Code, this Offer Document and the accompanying Form of Acceptance, and (ii) the Unconditional Date.

No fractions of a cent will be payable and the amount of cash consideration payable to a Shareholder who validly accepts the Offer will be rounded up to the nearest cent.

For further details on the settlement of consideration, please refer to the paragraph headed “Settlement of the Offer” in Appendix I to this Offer Document.

FURTHER TERMS OF THE OFFER

Your attention is drawn to the further details regarding the procedures for acceptance and settlement and the acceptance period in relation to the Offer as set out in Appendix I to this Offer Document and the accompanying Form of Acceptance.

SHAREHOLDING STRUCTURE OF THE COMPANY

Based on the published information of the Company as at the Latest Practicable Date, the Company has a total of 1,407,129,000 Shares in issue, and the Company does not have any outstanding options, warrants, derivatives or securities that carry a right to subscribe for or which are convertible into Shares as at the Latest Practicable Date.

The table below sets out the shareholding structure of the Company as at the Latest Practicable Date (which is prepared based on published information of the Company available as at the Latest Practicable Date):

| Name of Shareholders | As at the Latest Practicable Date | |
|--|-----------------------------------|--------------------|
| | Number of Shares held | % of issued Shares |
| The Offeror | 377,132,584 | 26.80 |
| The Offeror and the Offeror Concert | 377,132,584 | 26.80 |

(Note 4)

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Parties (Note 5)

| | | |
|--------------------------------------|----------------------|---------------|
| Foxing Development Limited (Note 1) | 129,000,000 | 9.17 |
| Goldmap Investments Limited (Note 2) | 4,500,000 | 0.32 |
| Phanron Holdings Limited (Note 3) | 78,141,966 | 5.55 |
| Other Shareholders | 818,354,450 | 58.16 |
| Total | 1,407,129,000 | 100.00 |

Notes:

1. Based on public information, Foxing Development Limited is wholly-owned by Hill Garden Limited, which is in turn wholly-owned by a trust founded by Mr. Bi Hua, Jeff, an executive director of the Company.
2. Based on public information, Goldmap Investments Limited is wholly-owned by Mr. Chang Fuquan, a non-executive director of the Company.
3. Based on public information, Phanron Holdings Limited is wholly-owned by Mr. Hong Gang, a former non-executive director of the Company.
4. The percentage figures are subject to rounding adjustments and may not add up to 100%.
5. The Financial Advisers are the financial advisers to the Offeror in connection with the Offer. Accordingly, the Financial Advisers and the relevant members of their respective groups which hold Shares on their own account or on a discretionary managed basis are presumed to be acting in concert with the Offeror in relation to the Company in accordance with class (5) of the definition of "acting in concert" under the Takeovers Code (except in respect of Shares held by members of the respective Financial Advisers' groups which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purpose of the Takeovers Code). Members of the respective Financial Advisers' groups which are exempt principal traders and exempt fund managers which are connected for the sole reason that they control, are controlled by or are under the same control as the respective Financial Advisers are not presumed to be acting in concert with the Offeror.

As at the Latest Practicable Date, members of the respective Financial Advisers' groups do not legally or beneficially own, control or have direction over any Shares (except in respect of Shares held by exempt principal traders or exempt fund managers within the respective Financial Advisers' groups, in each case recognised by the Executive as such for the purposes of the Takeovers Code, or Shares held on behalf of non-discretionary investment clients of the respective Financial Advisers' group, if any). Notwithstanding that any connected exempt principal traders within the respective Financial Advisers' group are not acting in concert with Offeror, Shares held by any such connected exempt principal traders must not be assented to the Offer until the Offer becomes or is declared unconditional as to acceptances in accordance with the requirements of Rule 35.3 of the Takeovers Code, unless, subject to the consent of the Executive, (i) the relevant connected exempt principal trader holds the Shares as a simple custodian for and on behalf of non-discretionary clients, and (ii) there are contractual arrangements in place between the relevant connected exempt principal trader and its clients that strictly prohibit the relevant connected exempt principal trader from exercising any discretion over the relevant Shares, and all instructions relating to the Offer shall originate from the client only, and if no instructions are given, then no action shall be taken on the relevant Shares held by the relevant connected exempt principal trader.

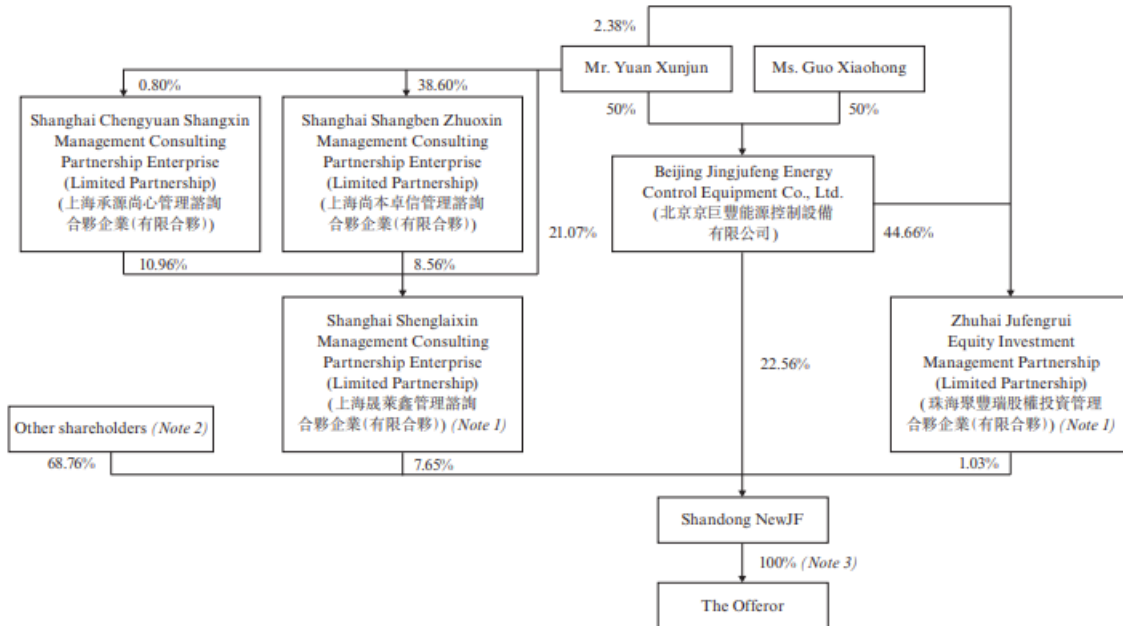
INFORMATION OF THE OFFEROR AND SHANDONG NEWJF

The Offeror is a company incorporated in Hong Kong with limited liability and is indirectly wholly-owned by Shandong NewJF. The Offeror is principally engaged in investment holding.

Shandong NewJF is a joint stock company incorporated in the PRC with limited liability, whose shares are listed on the Shenzhen Stock Exchange under the stock code 301296. Shandong NewJF is principally engaged in the research, development, production and sale of aseptic packaging. The de facto controllers (within the meaning of the listing rules of the Shenzhen Stock Exchange) of Shandong NewJF are Mr. Yuan Xunjun and Ms. Guo Xiaohong (the spouse of Mr. Yuan Xunjun) who, through entities and limited partnerships controlled by them, indirectly control approximately 31.24% of the issued share capital of Shandong NewJF.

Set out below is the simplified shareholding structure of Shandong NewJF and the Offeror as at the Latest Practicable Date:

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Notes:

1. Mr. Yuan Xunjun is the executive partner of the relevant partnerships.
2. As at the Latest Practicable Date, other than Mr. Yuan Xunjun and Ms. Guo Xiaohong, no other shareholder directly or indirectly holds 20% or more of the issued share capital of Shandong NewJF.
3. The other intermediate holding entity(ies) has been omitted for simplicity.
4. The percentage figures are subject to rounding adjustments and may not add up to 100%.

INFORMATION OF THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Stock Exchange under the stock code 468. The Group is principally engaged in the provision of integrated packaging solutions, which includes aseptic packaging materials, filling machines, spare parts and technical services to the liquid food industry.

Set out below is a summary of the consolidated financial information of the Company for the two financial years ended 31 December 2023 and 31 December 2022 as extracted from the annual report of the Company for the financial year ended 31 December 2023 and for the six months ended 30 June 2024 as extracted from the interim report of the Company for the six months ended 30 June 2024 :

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| | For the six months ended 30 June 2024 | For the financial year ended 31 December | |
|--|--|---|------------------|
| | RMB'000 | 2023 | 2022 |
| | <i>(unaudited)</i> | <i>(audited)</i> | <i>(audited)</i> |
| Revenue | 1,627,319 | 3,816,679 | 3,937,011 |
| Profit before income tax | 150,709 | 324,141 | 232,792 |
| Profit for the year (after income tax) | 117,497 | 244,214 | 182,397 |

As at 31 December 2023, the audited consolidated net asset value of the Group (as extracted from the annual report of the Company for the financial year ended 31 December 2023) was approximately RMB2,901,495 thousands.

As at 30 June 2024, the unaudited consolidated net asset value of the Group (as extracted from the interim report of the Company for the six months ended 30 June 2024) was approximately RMB3,143,949 thousands.

REASONS FOR AND BENEFITS OF THE OFFER

For the Offeror, Shandong NewJF and the Company

Shandong NewJF and the Company are both leading companies in the aseptic packaging industry. Shandong NewJF has established a diversified product mix with roller-type aseptic packaging as the main products, which include but are not limited to “pillow pack”, “brick pack”, “diamond pack” and “metal pack”. Shandong NewJF’s customers include the leading dairy companies in China. The Company also has a diverse range of specifications and types of aseptic packaging products, has engaged in the packaging and filling solutions business, and has a certain presence in the overseas market.

After the close of the Offer (assuming the Offer becomes unconditional in all respects), Shandong NewJF will become the controlling Shareholder, and Shandong NewJF believes that Shandong NewJF will provide strong shareholder support for the strategic development of the Group and that the two groups will realize synergies in advantageous resources, technologies and business operations. The expected synergies include but are not limited to optimizing business, enhancing talent sharing, lowering per-unit research and development costs and reducing common overhead. The Offeror is expected to contribute to further improving the Company’s operational efficiency, strengthening supervision on the Company’s operations and management, enhancing the Company’s corporate governance, and thus ultimately achieving the Company’s long-term sustainable development and creating value for Shareholders. However, the extent to which such objectives can be achieved, and the time required to do so, may be subject to uncertainty depending on whether the relevant measures can be facilitated by the Group and successfully implemented.

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For the Shareholders

The Offer provides an attractive opportunity for the Shareholders to monetize their investment at a compelling premium to the prevailing market price of the Shares. The Offer Price of HK\$2.65 per Share represents a premium of approximately 26.19% over the closing price of HK\$2.10 per Share as quoted on the Stock Exchange on the Last Trading Day. The Offer Price also represents a premium of approximately 25.00%, 31.84%, 42.47% and 2.32% over the average closing prices of approximately HK\$2.12, HK\$2.01, HK\$1.86 and HK\$2.59 per Share as quoted on the Stock Exchange for the 30, 60 and 120 trading days immediately prior to and including the Last Trading Day (on a cum-dividend basis without taking into account the payment of the 2023 Final Dividend and the 2023 Special Dividend), and on the Latest Practicable Date (on an ex-dividend basis taking into account the payment of the 2023 Final Dividend and the 2023 Special Dividend), respectively.

The average daily trading volume of the Shares for the six months up to and including the Last Trading Day was approximately 2.17 million Shares per day, representing only approximately 0.15% of the issued Shares as at the date of the Announcement. The relatively low trading liquidity of the Shares makes it difficult for Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares. The Offer is intended to provide the Shareholders with an opportunity to realize their investment in the Company for cash at a compelling premium without any downward pressure on the Share price.

INTENTION OF THE OFFEROR WITH REGARD TO THE GROUP

After the close of the Offer (assuming the Offer becomes unconditional in all respects), the Offeror intends to maintain the existing principal businesses of the Group. As of the Latest Practicable Date, the Offeror has no intention to introduce any major changes to the existing businesses of the Group (including downsizing, ceasing or disposal of any existing businesses of the Group and/or acquisition or injection of any new businesses into the Group, nor to redeploy the fixed assets of the Group), and has not identified any investment or business opportunity concerning the Company, nor has the Offeror entered into any agreement, arrangement, understanding or negotiation related to downsizing, cessation or disposal of the Group's existing businesses and/or the acquisition or injection of any assets or business into the Company.

Following close of the Offer, the Offeror will conduct a review of the existing principal businesses and the financial position of the Group to consider how best to develop the Group to enhance efficiency and shareholder value, which will depend on various factors including market conditions, legal and regulatory requirements and its business needs, which may or may not result in changes to businesses of the Group and/or redeployment of the fixed assets of the Group.

Further, the Offeror fully respects the expertise of the Group's management and operational teams and plans to enhance internal control measures in different aspects, such as strengthening checks and balances in internal compliance and processes, increasing oversight on the overall management and operations of the Group and improving effectiveness of corporate governance

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practices, while optimizing resource allocation to achieve complementary advantages. This will be done with consideration for the differences in management systems between the Offeror and the Company, respecting the Company's corporate culture and complying with all applicable legal and regulatory requirements.

As of the Latest Practicable Date, the Offeror has no intention to discontinue the employment of any employees of the Group or joint ventures other than changes in the ordinary and usual course of business or changes for the purpose of optimizing the governance and management of the Group, the extent and scope of any such changes (if any) would be subject to the outcome of more in-depth review to be carried out by the Offeror after the Closing Date and close of the Offer. Any changes to the composition of the board of directors of the Company will be made in compliance with the Takeovers Code and the Listing Rules and further announcement(s) will be made as and when appropriate.

COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING OF THE SHARES

The Offeror intends to avail itself of the right under section 88 of the Companies Act to compulsorily acquire Offer Shares not acquired by the Offeror under the Offer if, within four months after the date of this Offer Document, it has received valid acceptances in respect of not less than 90% of the Offer Shares. On completion of the compulsory acquisition (if applicable), the Company will become a wholly-owned subsidiary of the Offeror and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

If the level of acceptances of the Offer reaches the prescribed level under the Cayman Companies Act required for compulsory acquisition (i.e. not less than 90% of the Offer Shares) and the requirements of Rule 2.11 of the Takeovers Code are satisfied, an application will be made to the Stock Exchange to cease dealings in the Shares until the withdrawal of listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

If the prescribed levels of acceptances are not attained and the Compulsory Acquisition Right is not exercised, the Stock Exchange has stated that if, at the close of the offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued shares (excluding treasury shares), are held by the public, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the shares; or
- (ii) there are insufficient shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the shares.

The sole director of the Offeror has undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Company's shares after the close of the Offer in the event that the Compulsory Acquisition Right is not exercised.

LETTER FROM THE FINANCIAL ADVISERS

ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Offer and the Offeror set out in the appendices to this Offer Document and the accompanying Form of Acceptance, which form part of this Offer Document.

In considering what action to take in connection with the Offer, you should consider your own tax or financial position and if you are in any doubt, you should consult your professional advisers.

WARNING

Shareholders and potential investors of the Company should note that the implementation of the Offer is subject to the satisfaction or (if capable of being waived) waiver of the conditions of the Offer. Thus, the Offer may or may not become or be declared unconditional. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the respective shares of the Company. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institutions in securities, bank manager, solicitor, professional accountant or other professional advisers.

Yours faithfully,

For and on behalf of
China International Capital Corporation
Hong Kong Securities Limited
David Ching
Executive Director

For and on behalf of
CCB International Capital Limited
Gilman Siu
Managing Director

Yours faithfully,
For and on behalf of
China International Capital Corporation
Hong Kong Securities Limited



David Ching
Executive Director

Yours faithfully,
For and on behalf of
CCB International Capital Limited



Gilman Siu
Managing Director